



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2241 (1941)

March 12, 1991

SUBJECT: Eligibility Requirement for Insured Farmer Programs
Loans

TO: State Directors, District Directors, and County
Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

This AN is issued to provide clarification of the requirement that an applicant possess sufficient educational, job training or farming experience to meet FmHA eligibility requirements.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

FmHA Instruction 1941-A requires applicants to have sufficient applicable education and/or training or farm experience in managing or operating a farm or ranch (1 year's complete production and marketing cycle within one of the last 5 years). This provision is intended to ensure that borrowers possess sufficient managerial ability for reasonable prospects of success in the proposed operation.

The County Committee must weigh, on an individual basis, an applicant's history and background against the type of farming enterprises to be undertaken. Experience and/or training in managing one agricultural operation, such as beef cattle or field crops may, in some cases, provide financial management experience that could meet the experience requirement necessary for obtaining financing of a new enterprise, such as poultry. The County Committee should focus on each applicant's experience and/or training, and how the applicant has demonstrated the management capability to successfully carry out the financial and production responsibilities involved in the proposed farming operation.

EXPIRATION DATE: March 31, 1992

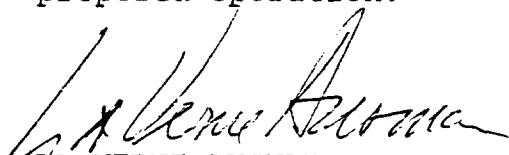
FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1941-A



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Secretary of Agriculture, Washington, D.C. 20250

In arriving at a decision, the County Committee should also consider any production or financial management training or assistance, as well as any "hands on" supervision that will be provided by FmHA, Extension Service, farm management firms, or a poultry integrator. The contribution of this assistance to the overall success of the operation must again be evaluated on a case-by-case basis.

We must bear in mind that this requirement is not intended to preclude the possibility of an applicant changing or adding farming enterprises, nor is it meant to be a regulatory obstacle to providing financial assistance to beginning farmers. It is intended to ensure that applicants have, in the judgment of the County Committee, the capability to become successful in the proposed operation.



LA VERNE AUSMAN
Administrator

Sent by time delay option to States at 12:00 on 3/15/91; to
Districts at 2:00 on 3/15/91; to Counties at 4:00 on
3/15/91 by GSS.